

# House File 477 - Introduced

HOUSE FILE 477  
BY COMMITTEE ON ECONOMIC  
GROWTH

(SUCCESSOR TO HSB 86)

## A BILL FOR

1 An Act relating to bioscience-based economic development, the  
2 establishment of a bioscience development corporation, and  
3 membership on the Iowa innovation council.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8.11, subsection 2, paragraph a, Code  
2 2019, is amended to read as follows:

3 a. *"Disability"* means the same as ~~provided~~ defined in  
4 section 15.102, ~~subsection 10, paragraph "b", subparagraph (1).~~

5 Sec. 2. Section 12.34, subsection 1, Code 2019, is amended  
6 to read as follows:

7 1. The treasurer of state may invest up to the lesser of  
8 one hundred eight million dollars or twenty-five percent of  
9 the balance of the state pooled money fund in certificates  
10 of deposit in eligible lending institutions as provided  
11 in [section 12.32](#), [this section](#), and sections 12.35 through  
12 12.43. One-half of the moneys invested pursuant to this  
13 section shall be made available under the program implemented  
14 pursuant to [section 12.43](#) to increase the availability of lower  
15 cost moneys for purposes of injecting needed capital into  
16 small businesses which are fifty-one percent or more owned,  
17 operated, and actively managed by one or more women, minority  
18 persons, or persons with disabilities. *"Disability"* ~~means and~~  
19 *"minority person"* mean the same as defined in section 15.102,  
20 ~~subsection 10. A *"minority person"* means the same as defined~~  
21 ~~in section 15.102, subsection 10.~~ The treasurer shall invest  
22 the remaining one-half of the moneys invested pursuant to this  
23 section to support any other eligible applicant as provided in  
24 section 12.43.

25 Sec. 3. Section 15.102, Code 2019, is amended by adding the  
26 following new subsections:

27 NEW SUBSECTION. 1A. *"Bioscience-based economic development"*  
28 means economic development related to industries involved in  
29 any of the bioscience development platforms.

30 NEW SUBSECTION. 1B. *"Bioscience development platforms"*  
31 means industries involved in any of the following:

- 32 a. Vaccines and immunotherapeutics.
- 33 b. Biobased chemicals.
- 34 c. Precision and digital agriculture.
- 35 d. Medical devices and medical diagnostics.

1     Sec. 4. Section 15.102, subsection 5, Code 2019, is amended  
2 to read as follows:

3     5. "*Corporation*" means ~~the Iowa innovation~~ a bioscience  
4 development corporation created pursuant to [section 15.107](#).

5     Sec. 5. Section 15.106B, subsection 2, paragraph b, Code  
6 2019, is amended to read as follows:

7     b. Establish a nonprofit corporation pursuant to  
8 section 15.107, for the purpose of receiving and disbursing  
9 funds from public or private sources to be used to enhance  
10 bioscience-based economic development in the state and to  
11 further the overall development and economic well-being of the  
12 state.

13     Sec. 6. Section 15.106B, subsection 2, paragraph d,  
14 subparagraph (1), Code 2019, is amended by adding the following  
15 new subparagraph division:

16     NEW SUBPARAGRAPH DIVISION. (i) Services to expand,  
17 enhance, and advance the bioscience development platforms.

18     Sec. 7. Section 15.107, Code 2019, is amended by striking  
19 the section and inserting in lieu thereof the following:

20     **15.107 Bioscience development corporation.**

21     1. The authority shall establish a bioscience development  
22 corporation as a nonprofit corporation organized under chapter  
23 504 and qualifying under section 501(c)(3) of the Internal  
24 Revenue Code as an organization exempt from taxation. Unless  
25 otherwise provided in this subchapter, the corporation is  
26 subject to the provisions of chapter 504. The corporation  
27 shall be established for the purpose of providing services and  
28 receiving and disbursing funds from public or private sources  
29 to enhance bioscience-based economic development in the state  
30 and to further the overall development and economic well-being  
31 of the state.

32     2. The corporation shall collaborate with the authority as  
33 described in this subchapter, but the corporation shall not  
34 be considered, in whole or in part, an agency, department, or  
35 administrative unit of the state.

1     *a.* The corporation shall not receive appropriations from the  
2 general assembly.

3     *b.* The corporation shall not be required to comply with  
4 any requirements that apply to a state agency, department, or  
5 administrative unit and shall not exercise any sovereign power  
6 of the state.

7     *c.* The corporation shall not have authority to pledge the  
8 credit of the state, and the state shall not be liable for  
9 the debts or obligations of the corporation. All debts and  
10 obligations of the corporation shall be payable solely from the  
11 corporation's funds.

12     3. *a.* The corporation shall be established so that  
13 donations and bequests to the corporation qualify as tax  
14 deductible under state income tax laws and under section  
15 501(c)(3) of the Internal Revenue Code.

16     *b.* The corporation shall be established for the purpose of  
17 expanding bioscience-based economic development opportunities  
18 in the state of Iowa and for Iowa businesses, and to further  
19 the overall development and economic well-being of the state.  
20 The corporation may effectuate this purpose by performing  
21 certain functions delegated to it by the authority pursuant to  
22 section 15.106B.

23     4. The articles of the corporation shall provide for its  
24 governance and its efficient management. In providing for its  
25 governance, the articles of the corporation shall address the  
26 following:

27     *a.* A board of directors to govern the corporation.

28     (1) The board of directors shall initially be comprised of  
29 seven members appointed by the governor to concurrent terms  
30 of three years. Two of such members shall be subject to  
31 confirmation by the senate.

32     (2) For appointments subsequent to the initial appointments  
33 pursuant to subparagraph (1), two of the members shall be  
34 appointed by the governor, subject to confirmation by the  
35 senate, to staggered terms of three years each, and the

1 remaining five members shall be selected by a majority vote of  
2 the board of directors of the corporation for terms the length  
3 of which shall be provided in the articles of the corporation.

4 (3) The governor and the board of directors of the  
5 corporation shall not appoint or select any person who is  
6 either the spouse or a relative within the first degree of  
7 consanguinity of a serving member of the board of directors or  
8 of the authority board.

9 b. The appointment of a chief executive officer by the board  
10 to manage the corporation's daily operations.

11 c. The delegation of such powers and responsibilities  
12 to the chief executive officer as may be necessary for the  
13 corporation's efficient operation.

14 d. The employment of personnel necessary for the efficient  
15 performance of the duties assigned to the corporation. All  
16 such personnel shall be considered employees of a private,  
17 nonprofit corporation and shall be exempt from the personnel  
18 requirements imposed on state agencies, departments, and  
19 administrative units.

20 e. The financial operations of the corporation including the  
21 authority to receive and expend funds from public and private  
22 sources and to use its property, money, or other resources for  
23 the purpose of the corporation.

24 5. The board of directors of the corporation and the chief  
25 executive officer shall act to ensure all of the following:

26 a. That the corporation reviews and, at the board's  
27 direction, implements the applicable portions of the strategic  
28 plan developed by members of the authority pursuant to section  
29 15.105.

30 b. That the corporation prepares an annual budget that  
31 includes funding levels for the corporation's activities and  
32 that shows sufficient moneys are available to support those  
33 activities.

34 c. That the corporation annually completes and files an  
35 information return as described in section 422.15 and that the

1 information return is submitted to the general assembly.

2 Sec. 8. Section 15.107A, subsection 2, unnumbered paragraph  
3 1, Code 2019, is amended to read as follows:

4 The corporation shall, to the extent its articles so provide  
5 and within its public purpose, do all of the following with  
6 the purpose of increasing innovation in Iowa's economy, and  
7 bringing more innovative businesses to the state, and enhancing  
8 and expanding the bioscience development platforms:

9 Sec. 9. Section 15.107A, subsection 2, paragraph b, Code  
10 2019, is amended to read as follows:

11 b. Act as an innovation intermediary by aligning local  
12 technologies, assets, and resources to work together on  
13 advancing innovation and the bioscience development platforms.

14 Sec. 10. Section 15.107C, subsection 2, paragraph b, Code  
15 2019, is amended to read as follows:

16 b. The report shall describe how the operations and  
17 activities serve the interests of the state, enhance  
18 bioscience-based economic development in the state, and further  
19 economic development.

20 Sec. 11. Section 15.117A, subsection 2, paragraph a,  
21 subparagraphs (1) and (2), Code 2019, are amended to read as  
22 follows:

23 (1) Twenty members selected by the board to serve staggered,  
24 two-year terms beginning and ending as provided in section  
25 69.19. Of the members selected by the board, ~~seven~~ fourteen  
26 shall be representatives from businesses in the targeted  
27 industries and ~~thirteen~~ six shall be individuals who serve  
28 on the technology commercialization committee created in  
29 section 15.116, or other committees of the board, and who  
30 have expertise with the targeted industries. At least ten of  
31 the members selected pursuant to this subparagraph shall be  
32 executives actively engaged in the management of a business in  
33 a targeted industry. The members selected pursuant to this  
34 paragraph shall reflect the size and diversity of businesses  
35 in the targeted industries and of the various geographic areas

1 of the state.

2 (2) One member, selected by the ~~governor board~~, who also  
3 ~~serves on the Iowa capital investment board created in section~~  
4 ~~15E.63~~ has experience supporting businesses in the targeted  
5 industries.

6 Sec. 12. TRANSITION — APPOINTMENT AND TERMS OF IOWA  
7 INNOVATION COUNCIL MEMBERS. This Act shall not affect the  
8 appointment or term of a member serving on the Iowa innovation  
9 council immediately prior to the effective date of this Act.

10 EXPLANATION

11 The inclusion of this explanation does not constitute agreement with  
12 the explanation's substance by the members of the general assembly.

13 This bill relates to bioscience-based economic development,  
14 the establishment of a bioscience development corporation, and  
15 membership on the Iowa innovation council.

16 The bill replaces the Iowa innovation corporation with a  
17 bioscience development corporation. The bioscience development  
18 corporation is structured similarly and functions similarly to  
19 the Iowa innovation corporation. The bioscience development  
20 corporation has the added duty and responsibility of enhancing  
21 the state's bioscience-based economic development. The bill  
22 defines "bioscience-based economic development" as economic  
23 development related to industries involved in any of the  
24 "bioscience development platforms", which are defined as  
25 industries involved in vaccines and immunotherapeutics,  
26 biobased chemicals, precision and digital agriculture, and  
27 medical devices and diagnostics.

28 The bill changes the number of members who are selected by  
29 the board for the Iowa innovation council. Members who are  
30 representatives from businesses in targeted industries increase  
31 from 7 to 14, and members who are individuals who serve on the  
32 technology commercialization committee, or other committees of  
33 the board, and who have expertise with the targeted industries  
34 are reduced from 13 to 6. In addition, one member will be  
35 selected by the board and must have experience supporting

1 businesses in the targeted industries. Currently, that member  
2 is selected by the governor and has to also serve on the Iowa  
3 capital investment board. The bill provides that a member  
4 serving on the council immediately prior to the effective date  
5 of this Act shall continue to serve until the member's term  
6 expires.